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UNITED STATES DEPARTMENT OF AGRICULTURE  
FEDERAL CROP INSURANCE CORPORATION

\*December 11, 1952

FCI - COUNTY PROCEDURE MANUAL

PART II - COUNTY APPLICATION PROCEDURE

SECTION I. GENERAL

This procedure is to be used for beans, corn, cotton, flax, tobacco and wheat. Supplements to the procedure will be issued, if necessary, to cover specified features of a given commodity, such as supplements for sharecropper interest contracts. This procedure will continue in use for succeeding years until revised or superseded.

The uniform application for crop insurance, Form FCI-112, "Application for Crop Insurance on \_\_\_\_\_," is to be used for these same programs. Different application forms are used for cotton and tobacco sharecropper interest contracts in counties where a farm operator files one application to cover the interest of each of his sharecroppers.

Any premium payment made when an application is filed shall be handled by the county committee in accordance with General Procedure 5.

Insurance should not be sold to persons who do not expect to have an actual bona fide interest in a crop.

A. Closing Date for Filing Applications

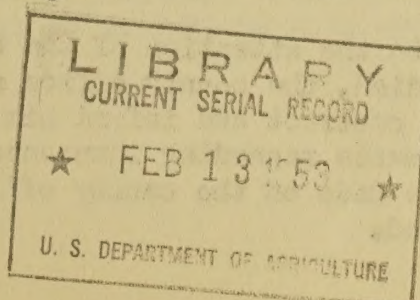
Regulations provide that applications must be submitted by a specified closing date in order for insurance to be in effect the next crop year. An application received through the mail after the closing date may be considered as filed by the closing date if the envelope is postmarked on or before such date. When the closing date falls on a Sunday or other day on which the county office is not officially open for business the next succeeding business day becomes the closing date for that crop year.

B. Minimum Participation Requirement

Before applications can be accepted, applications submitted together with all contracts in force must cover 200 insurance units or a number of insurance units equivalent to one-third of the eligible farms producing the insured crop in the county. The number of insurance units

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\* This revised procedure supersedes the County Application Procedure issued October 18, 1950.





counted for an application shall be based on the applicant's expected operations, and for a contract in force on the insurance units listed for the contract on the previous year's acreage report. The minimum for a county will be established by the Corporation. The summary of producers prepared by the county committee will be used as a guide in establishing the minimum.

If the minimum requirement for the county is not met by the closing date, applications which have been filed cannot be accepted by the Corporation. Such applications should be transmitted to the state director without further review or recommendation. Any contracts in force will continue in force for one year and will then terminate automatically unless the minimum requirement is met by the next applicable closing date for filing applications.

C. Applications by Successor-in-Interest Following Death or Incompetence of Insured.

Insurance contracts terminate upon death or judicial declaration of incompetence of the insured, except that if such death or judicial declaration of incompetence occurs after the beginning of planting of the insurable crop in any crop year but before the end of the insurance period for such year the contract shall (1) cover any additional acreage of the insurable crop planted for the insured or his estate for that crop year and (2) terminate at the end of such insurance period for that crop year.

In any case where the insured or applicant dies or is judicially declared incompetent after the planting of the insured crop in any crop year, and his heir, administrator, executor, committee or conservator, does not file an application by the closing date for the following crop year such closing date will be waived for such successor-in-interest until the beginning of planting of the crop and for a reasonable period thereafter provided an inspection of the growing crop is made by an adjuster and it is determined that the crop has not been damaged. In no case shall the period during which the application may be filed extend more than 60 days after the beginning of the planting of the insured crop.

Where an applicant for insurance dies, his successor-in-interest will have the right to obtain insurance on the crop(s) growing at the time of his death or crop(s) to be planted under the same terms as are set forth for a successor-in-interest for an insured.

Where an application is filed by a successor-in-interest as mentioned above a complete statement of facts shall be prepared on Form 6 showing the date of death of the insured, the relationship of the successor-in-interest and any other pertinent information (See Section II, E, with regard to numbering of an application filed by a successor-in-interest).

Whenever it comes to the attention of the county office that an applicant or an insured has died, the county office should contact the successor-in-interest under the contract and inform him of the status of the contract and of the requirements regarding insurance. In addition, appropriate notations should be made on the county office records affected by the death of the insured.



## SECTION II. APPLICATIONS FOR CROP INSURANCE

### A. Preparation of the Application

Section III. D. of this procedure outlines the review to be made of applications for completeness and accuracy. The county committee should make sure that sales agents thoroughly understand the requirements of this review in order that suspensions may be held to a minimum.

The following entries are to be made in the spaces provided in the heading of the form before the application is signed by the applicant: (1) name of county and state, (2) name of the insured crop, (3) first crop year of the contract, and (4) level of insurance where applicable. (The blank line should be used to indicate the level where applicable.)

### B. Acreage and Interest Covered by Application

An application covers the applicant's interest in the crop at the time of planting on acreage (excluding acreage to which insurance does not attach) considered for crop insurance purposes to be located in the county, provided a coverage therefor has been established by the Corporation by the closing date and (in special practice counties) provided the farming practice followed on such acreage is one for which a coverage is established. Where a farm is divided by the county line, acreage will be deemed to be located in the county only if a coverage therefor has been established on the county crop insurance map by the closing date.

### C. When Separate Applications Must be Filed

If a person is acting in a fiduciary or representative capacity and also in an individual capacity, or if he is acting in more than one fiduciary or representative capacity, one application will cover only one capacity in which such person is acting. A separate application must be submitted for each capacity for which insurance is desired. Also, where a person files an application in an individual capacity, such application will not cover his interest in a partnership, but will cover his interest as a joint-operator, or as a co-owner where a partnership is not involved. In all cases except where the applicant is a partnership, each interested person must file a separate application. Partnerships must be so designated on the application.

### D. Applications filed after the Closing Date

When an application is filed after the closing date for a crop year the application shall specify the following crop year (in the space provided for crop year) as the first crop year of the contract. In such cases, until a date set by the state director, a Form FCI-2, "Agreement" shall be prepared as part of the application. The wording to be entered in paragraph 2 of Form 2 shall be as follows with applicable year changes for subsequent years.



"Notwithstanding any other provision of the contract to the contrary both the applicant and the Corporation will have the same rights with respect to cancellation before the 1954 crop year that they would have had if this contract had been in force and effect for the 1953 crop year, and the Corporation agrees to mail to the insured at least 15 days prior to the cancellation date notice of any changes which are made in the contract for the 1954 crop year."

E. Numbering Applications

The state and county code, the year code followed by a dash, and the application number shall be entered on the signed application immediately after it is received in the county office. Where 1953 is the first crop year of the contract the year code is "3". Where 1954 is the first year of the contract the year code is "4", etc. A new application filed before the cancellation date to replace a contract which is canceled shall carry the year code of the first crop year for which the new application is to be effective. These entries shall be made promptly on all applications, in accordance with the following instructions even though the application may be suspended later and held in the county office, or recommended for rejection.

The permanent number previously assigned to a producer under any crop insurance program in the county is to be retained by him. This is necessary so that records of a producer for various years can be filed together in branch and state, and county offices, and because branch office records of premiums owed are kept by contract numbers on mechanical equipment. Except as provided below permanent numbers previously assigned shall not be reassigned to another producer even though the producer to whom the number was assigned is not now insured. The 1947 crop year was the first crop year that permanent numbers were assigned.

In order to make it easier to determine continuity of participation and credit for premium reduction purposes due to good experience, applications filed by the surviving spouse of the insured or his administrator, executor, conservator or committee shall be assigned the insured's permanent number.

In order to make certain that the same number is not assigned to more than one producer, the numerical and the alphabetical list or card index of permanent numbers for insured producers shall be checked carefully prior to assigning a number to each application. If a numerical list and a card index file and/or an alphabetical list have not been prepared previously, they shall be prepared showing in numerical order and in alphabetical order all producers to whom permanent numbers have been assigned already and the permanent numbers assigned to them.

Producers who previously were not assigned permanent numbers shall be assigned numbers consecutively beginning with the first unassigned number. Their names and permanent numbers shall be added immediately to the numerical list and the card index file (or the alphabetical list).



SECTION III. REVIEW, RECOMMENDATION, AND CERTIFICATION OF  
COUNTY COMMITTEE

A. Review for Acceptability

The state director or his representative will arrange to review the general policy of the Corporation with the county committee with respect to acceptability of applications. This review will include the actual examination of some applications with the county committee. In reviewing applications for acceptability, the name of each applicant should be checked against the list of ineligible producers. Consideration should be given in this review to whether additional names should be added to the list.

Also, consideration should be given to the possibility of temporary hazards to production such as higher than ordinary probability of flood, which were not considered at the time of approval of the county crop insurance map. Where the county committee believes that the risk of loss on one or more insurance units or part(s) thereof in which the applicant has an interest is either undeterminable or is too great to justify the insurance applied for, and a coverage has been established for such acreage, the county committee shall prepare and attach a statement of facts on Form 6 which shall clearly identify the acreage involving such risk.

B. Review for Credit Risk of Applicant

In order to be in a position to collect premiums when they become due, particular attention must be given to the credit risk of individual producers. The policy set forth below must be followed in determining the credit risk of each applicant.

1. Where the applicant is a sharecropper, a satisfactory co-signer shall be required by the closing date or the estimated amount of the premium must be paid by the closing date unless different instructions are issued by the state crop insurance director.
2. For any other applicant whose credit is not good, a satisfactory co-signer shall be required or the estimated amount of the annual premium must be paid in advance. Unless the county committee definitely knows that the applicant is a good credit risk, an adequate investigation shall be made.
3. A co-signer to be acceptable must be a person who is able financially to pay and who definitely can be expected to pay the premium if the insured does not pay it.
4. Some corporations are organized to carry on the farming operations of individuals primarily to avoid the individual liability for corporation debts. Some of these corporations have little financial strength and stability. In such cases it will be necessary to obtain payment of the estimated annual premium in advance or to obtain a satisfactory co-signer, probably from the principal stockholder(s).



C. Review for Indebtedness of the Applicant

If the applicant owes \$1.00 or more on any past due premium indebtedness, this indebtedness shall be collected before the application is recommended for acceptance. However, if an applicant has an earned payment under any program administered by the United States Department of Agriculture sufficient to cover the indebtedness and such indebtedness is set off against the payment his application may be recommended for acceptance provided he is a good credit risk. If the amount of indebtedness is over \$1.00 but is a small amount as compared to the premium and the county committee feels that the application should be recommended for acceptance, they should make their recommendation on Form 6 setting forth the facts.

In addition to requiring payment of past due indebtedness, the estimated annual premium (or an acceptable co-signer) also should be required in cases of indebtedness unless the applicant definitely is considered a good credit risk.

If the application cannot be recommended for acceptance because of indebtedness, the application shall be suspended and a letter shall be sent to the applicant urging that the indebtedness be paid. If the applicant fails to make such payment on or before the closing date, or within 15 days after notice has been mailed to him, whichever is later, the county committee shall transmit the application, together with a copy of the letter to the applicant, and a brief statement of facts on Form 6 including their recommendations to the state director. If the application is recommended for acceptance the statement of facts shall include the reasons why the county committee feels that the application should be accepted notwithstanding the indebtedness.

D. Review for completeness and accuracy

All applications shall be reviewed thoroughly and carefully to determine that they are complete and correct.

1. If any of the following items are incomplete or are incorrect, the county committee may make the necessary entries or corrections:
  - a. Name of county or state.
  - b. Printed name of applicant and address of applicant, if known. If the printed name of the applicant and his signature are different the county committee should prepare Form 6 indicating that the printed name and the signature are for the same person.
  - c. If the name of the crop has not been entered in the space provided, the county committee shall enter the name of such crop provided only one crop is insured in the county. Otherwise, the applicant shall be requested to furnish the name of the crop to be insured.
  - d. See that the first year of the contract is entered in the space provided. For applications filed after the closing date, see Section II, D, above.



- e. If a co-signer or surety had or has a contract in force his permanent contract number must be entered (or corrected where necessary). It should be entered on the line with the name and address of the co-signer. The co-signer's permanent number is necessary also on Form FCI-9, "Agreement to be Surety". It should be entered immediately below the "Signature of Surety", identified as contract number.
2. In counties where more than one level of insurance is offered on a crop see that a level has been entered on the blank line in the upper right corner. (Example: Level I or Level II).

An insured may change from one level of insurance to another for any crop year by filing a Form 2 with the county office requesting such change on or before the closing date for the crop year. Section 2 of Form 2 shall be worded as follows: "I hereby request a change from my present level of insurance as covered by the above-mentioned (crop) insurance contract to level for the (year) and succeeding crop years."

3. If the signature of the applicant is incomplete, the county committee shall request the applicant to complete the signature before the closing date or within 15 days after written notice has been sent to the applicant whichever is the later. Form 2 shall not be used to obtain the signature of the applicant for the application, but may be used to correct or complete a signature appearing on the application.

In reviewing applications, the county committee shall give special attention to signatures affixed in a representative capacity in order that it may be sure these signatures are affixed in accordance with instructions for signatures and that the person signing has authority to act in the capacity indicated. Written evidence of such authority must be on file in the county office or county courthouse.

If an application is submitted by or for a person not of legal age the note for the premium must be co-signed by a person of satisfactory credit standing who in most cases probably would be the parent. It should be noted that this agreement by the co-signer is for the first year of the contract only and must be renewed each year while the insured is a minor by use of a Form FCI-9, "Agreement to be Surety."

#### E. Recommendation for Acceptance

If an application appears to be acceptable after the review is made, a member of the county committee shall so indicate by signing the application and entering the date in the space provided.

If the county committee does not recommend acceptance of the application, the certification by the county committee shall not be executed. In all such cases, a statement of all facts, together with the committee's recommendation shall be prepared on Form 6 and attached to the application.



All applications, whether or not they are recommended for acceptance, shall be forwarded promptly to the state director, in accordance with Section V of this procedure.

In no case shall the application be released to the applicant after it is filed with the county committee. If, however, an applicant wishes to withdraw his offer prior to acceptance of the application by the state director, a record should be made of such request in the county office and the request which must be in writing and signed by the applicant shall be sent to the director immediately.

Where this procedure does not cover an individual meritorious case, the county committee should submit the case to the state director in accordance with General Procedure 4.

SECTION IV. CORRECTING, REVISING, OR SUPPLEMENTING ENTRIES  
ON THE APPLICATION BY THE USE OF FORM FCI-2, "AGREEMENT"

A. Changes Requiring Approval of Applicant

Form 2, "Agreement" may be used to correct or complete an incorrect or incomplete signature on the application but in no case shall it be used to obtain the signature of the applicant for the application.

B. Changes that May Be Made by the County Committee

After applications are transmitted to the state director, the county committee may find it necessary to correct, revise, or supplement entries appearing thereon which do not require the approval of the applicant. Such changes should be accomplished through the use of Form 2.

C. Preparation of the Form FCI-2, "Agreement"

1. The heading and paragraph/are self-explanatory and should be completed in every case.
2. Enter in paragraph 2 the title of the application, including the name of the insured crop.
3. In paragraph 2 in the space provided enter the correction or revision that is to be made, together with the reasons therefor. Reference should be made to the specific item(s) being corrected or revised.
4. The signature of the insured shall be obtained in paragraph 2 for those cases requiring his approval and the date of the signature shall be entered.
5. A member of the county committee shall recommend acceptance by entering the date and affixing his signature in paragraph 3.
6. Paragraphs 4 and 5 are for the use of the Corporation.
7. Enter a check mark (✓) in paragraph 6 to indicate the office originating Form 2.



## SECTION V. TRANSMITTAL OF APPLICATION

### A. Preparing the Transmittal Sheet (Form FCI-15-Revised)

Follow the instructions on the reverse side of Form FCI-15-Revised (herein called Form 15) for the completion of the form. List only those applications for the same commodity on the same Form 15. Insert the name of the commodity in the space provided.

Applications suspended for any reason and held temporarily in the county office shall be listed in the regular manner on the Form 15. A line shall be drawn through the data on the Form 15 for those applications and the word "Suspended" shall be entered in the "Remarks" column.

Applications which are not recommended by the county committee for acceptance shall be listed in the regular manner on Form 15. For all these cases, the words "Form 6 attached" shall be placed in the "Remarks" column.

### B. Transmittal of Applications which are not Suspended

The original and state office copy of the Form 15 together with all copies of the application (and attachments, if any), shall be forwarded to the state director promptly after being reviewed. The county office copy of Form 15 shall be filed.

### C. Transmittal of Suspended Applications

When a suspended application is cleared by the county committee, or it is determined that the suspended application cannot be cleared, the application shall be listed immediately in the regular manner on a Form 15 plainly marked "Supplemental" in the space provided for the transmittal number. Where it is determined that a suspended application cannot be cleared, the county committee shall attach to the application a statement of facts and its recommendations on Form 6. No transmittal sheet number shall be assigned to the Form 15 used for transmitting applications which previously had been suspended. As a cross-reference, the county committee shall insert in the column headed "Remarks" on a "Supplemental" Form 15 the transmittal sheet number upon which the application was originally listed.

## SECTION VI. DISTRIBUTION OF FORMS

### A. Form FCI-112, "Application for Crop Insurance on (Crop)"

All copies of all applications shall be forwarded to the state director who will make distribution as follows:

1. Original - to the branch office.
2. Insured's copy - to him, attached to policy.
3. County office copy - to the county office.
4. State office copy - filed in the state office.



B. Form FCI-2, "Agreement"

When Form 2 relating to an application for insurance is originated by the county committee, all copies except the originating office copy shall be forwarded to the state director. All copies of Forms 2 prepared by the state director which require county committee recommendation (except the originating office copy) shall be forwarded to the county office. Upon execution of such recommendation, Form 2 shall be returned to the state director. Upon receipt of the approved county office copy from the state office, it shall be attached to the related copy of the contract on file in the county office. The state office will forward the insured's copy of Form 2 to him.

C. Form FCI-6, "Statement of Facts"

When Form 6 relating to an application for insurance is originated by the county committee, the original and first carbon shall be forwarded to the state director. The second carbon shall be retained in the county office and filed in the insured's crop insurance folder.

D. Form FCI-15, "Transmittal Sheet"

1. The original and the state office copy of Form 15, together with all the related applications listed thereon, and attachments, if any, shall be transmitted promptly to the state director.
2. The county office copy of Form 15 shall be retained in the county office files.

E. Form FCI-20, "Collateral Assignment"

See General Procedure 8 (Revised March 5, 1951) for handling and distribution of Collateral Assignments.